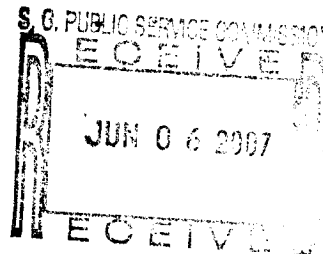


186514



June 4, 2007

2007-2235



VIA FAX AND US MAIL

South Carolina Public Service Commission
101 Executive Center Drive, Saluda Building
Columbia, SC 29210

Dear Commissioners:

Lexington County Joint Municipal Water and Sewer Commission is writing this letter in support of the application of Midlands Utility, Inc. for approval of its wholesale wastewater treatment agreement with the Lexington County Joint Municipal Water and Sewer Commission (LCJMWSC). Approval of the wholesale agreement will allow Midlands and the LCJMWSC to consummate their agreement for the Commission to become the wholesale provider for Midlands Utilities waste stream that is currently being treated at the Windy Hill Treatment Facility.

The LCJMWSC has the technical ability and capacity to provide the transportation and treatment at the City of Cayce's regional facility.

The LCJMWSC will charge a wholesale rate for the transportation and treatment of its wastewater. The wholesale rate shall be a flat rate per 1,000 gallons of wastewater metered at the connection of the utility to the LCJMWSC. The initial wholesale rate shall be \$2.50 per 1,000 gallons, and is subject to wholesale rate revisions by the LCJMWSC. The LCJMWSC agrees that the initial rate will not be increased for a minimum of twelve (12) months after discharge from the utilities system is initiated. Further, the LCJMWSC agrees that any future increase in the wholesale rate will not exceed any percentage increase the LCJMWSC may impose on its retail wastewater customers.

The LCJMWSC hopes that the Commission and other interested parties will share the LCJMWSC's view that the wholesale arrangement with Midlands Utility will serve the public's best interest.

Sincerely,

Stephen H. Mann
Assistant General Manager